

REMARKS

Reconsideration of this application, based on this amendment and these following remarks, is respectfully requested.

Claims 1 through 24 remain in this case. Claims 2 through 17, 23, and 24 were not examined as directed to a non-elected species; however, claim 1 remains generic to all claims in this case. No claim is amended.

The Abstract was objected to for lack of clarity and conciseness. The Abstract is amended in an attempt to comply with the requirements of the Examiner.¹

Claims 1 and 18 through 22 were rejected under §101 as directed to non-statutory subject matter. The Examiner asserted that the claimed method consists “solely of the manipulation of an abstract idea and is not concrete or tangible”.²

Applicant respectfully traverses the §101 rejection, on the grounds that the invention of claims 1 and 18 through 22 does not consist solely of the manipulation of an abstract idea.

In analyzing claims directed to computer-related inventions, under §101, it is fundamental to begin first with a determination of “What did Applicant invent?”.³ In this regard, it is instructive to look to the detailed description of the preferred embodiments of the application to determine what the applicant did, in fact, invent.⁴

In this application, Applicant submits that his invention is directed to the use of an online method, for example over the Internet, by way of which a grantor can establish a trust.⁵ The establishing of the trust involves the use of multiple computer systems that are interconnected

¹ Although the undersigned remains somewhat mystified about what exactly was wrong with the Abstract as filed.

² Office Action of April 24, 2006, page 2.

³ *Arrhythmia Research Technology Inc. v. Corazonix Corp.*, 958 F.2d 1052, 1059; 22 USPQ2d 1033, 1038 (Fed Cir. 1992); MPEP §2106.

⁴ MPEP *supra*.

⁵ Specification of S.N. 09,910,964, paragraph [0036].

over a wide area network, such as the Internet.⁶ Identities are verified according to this invention, consents are obtained as necessary, and accounts are then established with financial institutions, all preferably over the Internet or other communications network.⁷ Accordingly, Applicant submits that the invention of claims 1 and 18 through 22 is directed to the establishing of a tangible and concrete thing, namely a trust that includes a corpus to which various legal obligations and rights attach, and which is invested and contributed to so that it may increase in value.

Applicant submits that this invention falls within the statutory subject matter as defined by §101, because it does not consist solely of the manipulation of an abstract idea.

The courts have repeatedly held that a “number” or database entry representing a tangible thing, and created or modified by a claimed process, renders that process sufficiently tangible as to meet the requirements of §101 for statutory subject matter.⁸ In the *State Street* case, the Court of Appeals for the Federal Circuit held that a machine for implementing a financial management structure, and that transformed data representing discrete dollar amounts into a final share price, produced a sufficiently “useful, concrete and tangible result” that the claimed apparatus met the requirements of §101.⁹ The *AT&T* case involved method claims directed to forming message records of long-distance telephone calls, such message records stored electronically and including a data field indicating whether its corresponding call involved a particular primary inter-exchange carrier, for use in the billing of the telephone call to the subscriber;¹⁰ the Federal Circuit held, in this case, that the claimed “transformation” resulted in a number having a specific meaning – “a useful, concrete, tangible result” – and thus met the requirements of §101.¹¹ In addition, the *AT&T* decision firmly established that, for determining whether a claim

⁶ Specification, *supra*, paragraph [0055] *et seq.*; Figures 1 and 2.

⁷ Specification, *supra*, paragraphs [0036], [0055] through [0062]; [0064] through [0078]; [0091] through [0094]; Figures 1 2 4, 8.

⁸ See, e.g., *AT&T Corp. v. Excel Communications Inc.*, 172 F.3d 1354, 50 USPQ2d 1449 (Fed. Cir. 1999); *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998).

⁹ *State Street*, *supra*, USPQ2d at 1601.

¹⁰ *AT&T*, *supra*, USPQ2d at 1448-49.

¹¹ *AT&T*, *supra*, USPQ2d at 1452.

is statutory subject matter under §101, it is not relevant whether the claims at issue are apparatus or method claims.¹²

Applying this analysis to this application, Applicant respectfully submits that the invention claimed is a method for creating a trust, namely a property interest held by one party for the benefit of another.¹³ A trust involves three elements, namely a trustee, a beneficiary, and trust property held by the trustee for the beneficiary.¹⁴ Accordingly, the trust created by the claimed method is property in which certain parties have rights, and that can grow by way of investment,¹⁵ and can be distributed to the beneficiary to be spent, conveyed, or rolled into another trust.¹⁶ The trust must file a tax return, and perhaps pay taxes.¹⁷ These attributes, among others, illustrate that the trust created by the claimed invention is clearly and obviously a concrete and tangible thing. Specifically, the tangible result of the claimed method is at least as tangible and concrete as a final share price of an investment structure,¹⁸ or a message record for a long-distance telephone call.¹⁹ Applicant submits that the claims in this case therefore consist of far more than the manipulation of abstract ideas, and traverses the §101 rejection accordingly.

Interestingly, the *AT&T* decision addresses the very cases cited by the Examiner in making the §101 rejection in this application.²⁰ The Federal Circuit found the *Schrader* case did not apply to the *AT&T* situation because the *Schrader* decision did not reach the question of whether its mathematical algorithm was applied in a practical manner to achieve a useful, concrete, and tangible result.²¹ Similarly, the *Schrader* holding does not apply to this application, considering that the basis of the rejection in this case is that the claimed method consists solely of the manipulation of abstract ideas. The Federal Circuit also found, in the

¹² *AT&T, supra*, USPQ2d at 1451.

¹³ See *Black's Law Dictionary*, 8th ed. (West, 2004).

¹⁴ *Id.*, citing *Restatement (Second) of Trusts*, §2 (1959).

¹⁵ Specification, *supra*, paragraph [0121].

¹⁶ Specification, *supra*, paragraphs [0129] and [0130].

¹⁷ Specification, *supra*, paragraphs [0116] through [0118].

¹⁸ *State Street, supra*.

¹⁹ *AT&T, supra*.

²⁰ *I.e., In re Schrader*, 22 F.3d 290, 30 USPQ2d 1455 (Fed. Cir. 1994); *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994).

²¹ *AT&T, supra*, USPQ2d at 1453.

AT&T case, that the *Warmerdam* decision was not contrary to its determination that the claimed method of generating message records for billing purposes was sufficiently concrete and definite to meet §101. Applicant similarly submits that the *Warmerdam* decision also is not contrary to a finding that the claims in this application are directed to statutory subject matter, because the claimed method is directed to creating a tangible, concrete, and definite thing, namely a trust.

Applicant therefore respectfully submits that the method claimed in this application does not consist only of the manipulation of abstract ideas, and as such is directed to statutory subject matter. Reconsideration of the §101 rejection is respectfully requested.

Claims 1 and 18 through 22 were also rejected under §102 as anticipated by the Edelman reference²². Applicant respectfully traverses the rejection, on the grounds that the teachings of the Edelman reference fall short of the requirements of claim 1 and its dependent claims.

Independent claim 1 requires the steps of receiving a request to create a trust from a grantor, the receiving of authorization to convey funds from the grantor to a trust account, and the receiving of an electronic confirmation from the grantor to establish a trust with the conveyed funds. Information regarding the grantor, beneficiary, and conveyed funds are then stored in a trust account data base and associated with the trust account.

As a result, the method of claim 1 creates a trust where none existed before. This method is advantageous over conventional approaches, such as described in the Edelman reference, in which the trust must be created off-line, for example involving the hiring and payment of attorneys.²³

In contrast, the Edelman reference expressly requires that an attorney be hired by the grantor to create the trust off-line. Specifically, the Edelman reference describes how the customer of its system is provided with a list of attorneys that have joined an attorney referral network, and who the customer can hire to prepare the trust agreement, even teaching that the system can provide a coupon to pay for all or part of the attorney's fees for preparing the

²² U.S. Patent No. 6,064,986, issued May 16, 2000, to Edelman.

instrument.²⁴ Nowhere does the Edelman reference teach the receiving steps of claim 1 of this application, especially the receiving of an electronic confirmation from the grantor over the computer network to establish the trust with the conveyed funds.

Nor is there any suggestion from the prior art to modify the teachings of the Edelman reference in such a manner as to reach claim 1 and its dependent claims. This absence of suggestion to modify is especially apparent given the detailed discussion in the Edelman reference itself²⁵ of how to *not* create the trust on-line as results from the method of claim 1, by instead hiring an attorney from its referral network to prepare the trust instrument. Accordingly, the important advantages provided by the method of claims 1 and 18 through 22 stem directly from the differences between the claims and the reference, and further support the patentability of the claims in this case.

Because claim 1 is in condition for allowance for the reasons stated above, and is a generic claim to the multiple species previously found by the Examiner, Applicant further submits that all dependent claims 2 through 24 are now also in condition for allowance.

Reconsideration of this application is therefore respectfully requested.

Respectfully submitted,
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²³ Specification, *supra*, paragraphs [0014], [0021], [0078], [0133], [0134].

²⁴ Edelman, *supra*, column 22, lines 7 through 51; column 22, line 60 through column 23, line 12.

²⁵ *Id.*